

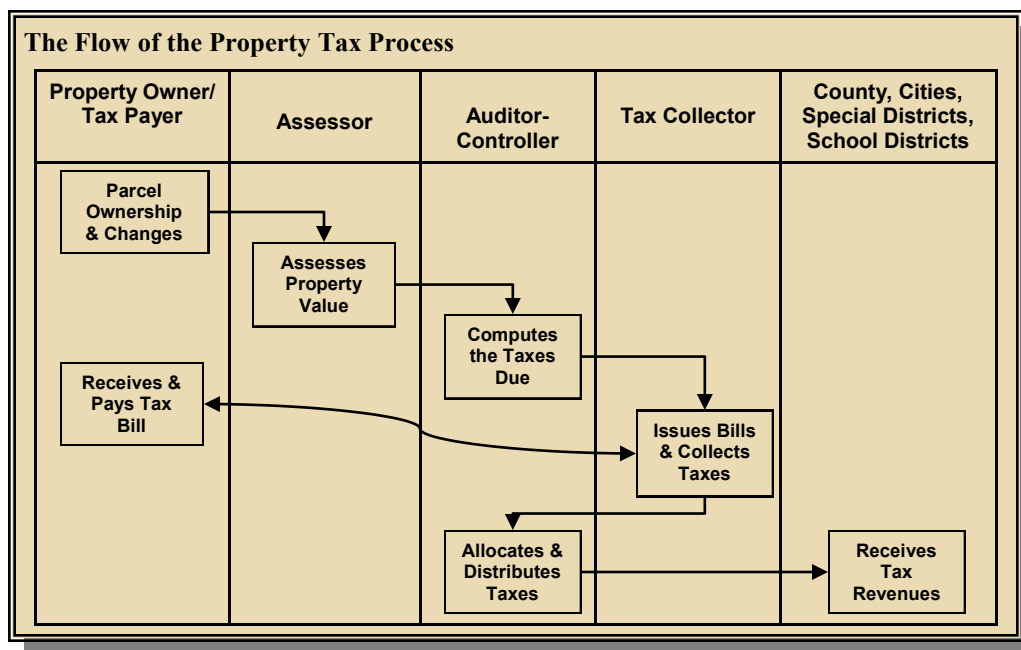


Property Tax Perspective

County of San Luis Obispo,
Fiscal Year July 1, 2010 to June 30, 2011

Property Tax Process

California schools, counties, cities and special districts depend on property tax as a primary source of revenue. Property tax raised \$423 million for local governments within the boundaries of San Luis Obispo County during fiscal year 2009-10 and is expected to generate \$422 million for fiscal year 2010-11 based on the current taxable value (see page 4). The information provided in this publication is a general overview of the property tax process in San Luis Obispo County. It includes a broad description of the functions of various county departments from the generation of property taxes through the distribution to local government agencies. Please visit our website located at www.slocounty.ca.gov/ac.htm to view or download copies of *Property Tax Perspective* and our other publications.



Proposition 13, approved by California voters in 1978, is the basis for the current property tax process. Proposition 13 limits the property tax rate to 1% of assessed value, plus any additional tax rate necessary to fund local voter-approved bonds and other indebtedness. It limits property tax increases to 2% per year, except for properties having a change of ownership or new construction. Property with a change in ownership is assessed at its new market value (usually the purchase price) and the value of any new construction is added to the existing base value of a parcel.

Since the passage of Proposition 13, the California legislature and the voters have continually altered, interpreted and implemented changes to the property tax laws resulting in local agency tax revenues being more and more limited. This has led to the advent of special assessments, fees and special taxes levied on parcels by local agencies for the benefit of the property owners within their district boundaries. These charges are set by each individual agency and are not based on value or subject to the tax rate, but do become a lien on the property along with the property tax.

Three Elected County Officials Provide Many of The Checks and Balances That Govern This Tax Process

Tom J. Bordonaro
County Assessor
(805) 781-5643

Gere W. Sibbach, CPA
Auditor-Controller
(805) 781-5040

Frank L. Freitas, CPA
Treasurer Tax-Collector
(805) 781-5830

www.slocounty.ca.gov/assessor.htm

www.slocounty.ca.gov/ac.htm

www.slocounty.ca.gov/tax.htm

Parcel Ownership and Taxpayers

Annually, owners of taxable property become liable for the property tax as based on the assessed value of the property. Taxable property is assessed (valued) each year as of January 1st (called the lien date) to generate tax revenue for the fiscal year that begins on the upcoming July 1st. The assessed value for most real property is the prior year's assessed value adjusted by the California Consumer Price Index, up to 2%. However, if there has been a change in ownership the new assessed value will be the market value of the property that changed ownership. New construction value is added to the property's prior base values.

The owners of property in San Luis Obispo County are responsible for the timely payments of taxes. Those who pay late are subject to penalties and costs which can be significant.

Principal Taxpayers 2010-2011 (Secured, Utility, Unsecured & Aircraft)

<u>Top 10 Taxpayers</u>	<u>Type of Property</u>	<u>Taxable Assessed Value</u>	<u>% of Total Assessed Value</u>
Pacific Gas & Electric Co.	Utility	2,504,614,399	5.96%
TOSCO Corp	Petroleum & Gas	152,406,877	0.36%
CSHV Mustang Village LLC	Apartments	74,801,162	0.18%
Plains Exploration & Prod Co	Petroleum & Gas	73,502,261	0.17%
Pacific Bell Telephone Co	Communications	67,992,815	0.16%
Beringer Wine Estates Co	Winery	67,595,227	0.16%
Southern California Gas Co.	Utility	62,344,609	0.15%
Martin Hotel Mgmt Co LLC	Hotel	60,804,293	0.14%
Sierra Vista Hospital	Hospital	57,513,923	0.14%
Twin Cities Com. Hospital	Hospital	55,192,438	0.13%
Total Top 10 Taxpayers	-	\$3,176,768,004	7.55%

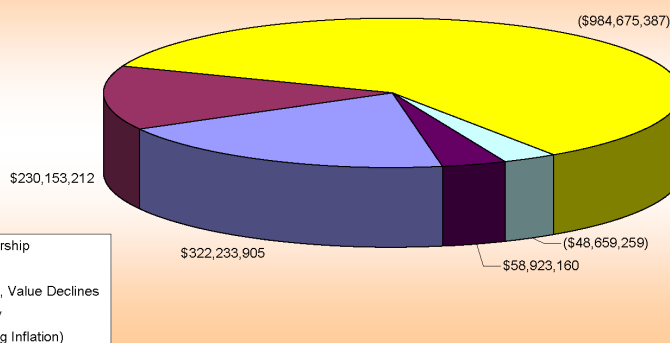
The top ten taxpayers make up 7.55% of total taxable assessed valuation. This is an indicator that the county has a diversified tax base.

Under Proposition 13 similar properties can have substantially different assessed values based on their date of purchase.

The County has 136,293 secured parcels that include both residential (homes, condos and apartments) and non-residential (businesses, hotels, retail, etc.) property. Utilities and railroads are valued across multiple parcels. Business personal property (machinery and equipment) is taxable where it has established "permanent status"; while vessels (boats) are assessed where moored and aircraft are taxed at the location of the airport. Taxable personal property, business fixtures, aircraft, vessels and boats are classified as unsecured, of which there are about 30,092 such properties within the County.

<u>Factors</u>	<u>Added Value</u>
Changes in Ownership	\$322,233,905
New Construction	\$230,153,212
Appeals, Reviews, Value Declines	(\$984,675,387)
Business Property	(\$48,659,259)
All Other (Including Inflation)	\$58,923,160
Total	(\$422,024,369)

2010 - 2011 Factors Causing Value Change



Reappraisals based on declines in value accounted for the overall decrease in assessed values this year. Increases due to new construction and other factors were not sufficient to offset these decreases. The net decline in value this year totaled \$422 million which is much less than the \$1.629 billion reduction occurring last fiscal year.

Assessor Values Property

The primary responsibility of the County Assessor is to discover, describe, value and assess all taxable property so that each owner is assured of paying the proper amount of property tax for the support of local governments and schools. The main categories of taxable property include real property, business personal property, vessels and aircraft. The Secured Tax roll is comprised of real property which is defined as land, mines, minerals, timber and improvements such as buildings, structures, crops, trees and vines. Business personal property (items such as machinery, equipment, office tools and supplies), vessels and aircraft are included on the Unsecured roll. It is important to note that there are several full or partial exclusions/exemptions (such as homeowner, disabled veterans and welfare exemptions) provided by the State Constitution and the legislature that reduce the burden of paying property taxes for certain taxpayers.

Historical Assessed Value of Local & Utility Property in San Luis Obispo County (in billions)

Fiscal Year	Assessed Valuation (\$)	Percentage Increase
1983-84	7.0	14.8%
1984-85	8.0	14.3%
1985-86	9.3	16.3%
1986-87	10.7	15.1%
1987-88	11.8	10.3%
1988-89	13.1	11.0%
1989-90	14.1	7.6%
1990-91	15.6	10.6%
1991-92	16.4	5.1%
1992-93	17.1	4.3%
1993-94	17.5	2.3%
1994-95	17.9	2.3%
1995-96	18.3	2.2%
1996-97	18.6	1.6%
1997-98	19.1	2.7%
1998-99	19.7	3.1%
1999-00	20.8	5.6%
2000-01	22.1	6.3%
2001-02	23.5	6.3%
2002-03	25.6	8.9%
2003-04	27.6	7.8%
2004-05	30.2	9.4%
2005-06	33.5	10.9%
2006-07	37.4	11.6%
2007-08	40.8	9.1%
2008-09	42.9	5.2%
2009-10	42.7	-0.4%
2010-11	42.4	-0.9%

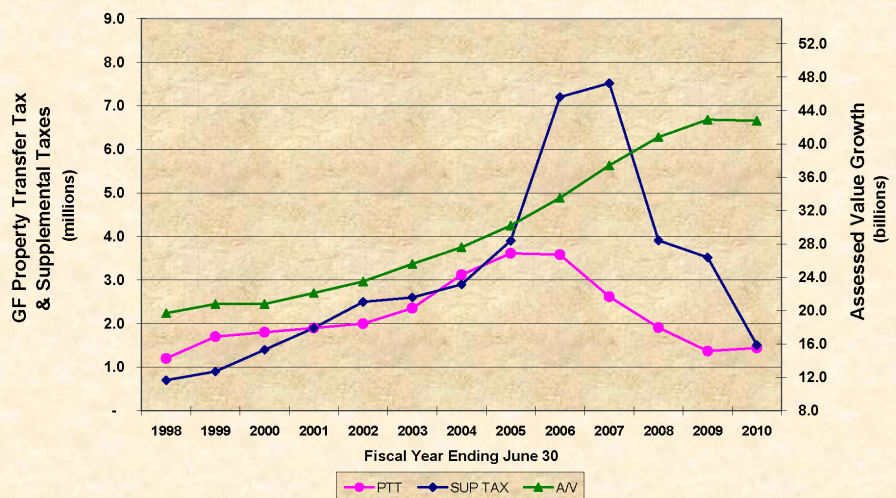
Assessed value is determined and enrolled to a property owner as of January 1, which is the tax lien date. As an example, changes in ownership (sales) and new construction (determined from permits and on-site reviews) during the prior calendar year 2009 are valued as of January 1, 2010. The 2% (or less) inflation adjustment is applied to the assessed values along with exemptions and other appraisable events. The countywide adjusted gross value of \$42.4 billion as of January 1, 2010 is then taxed for the fiscal year July 1, 2010 to June 30, 2011.

Other significant processes include:

- The Supplemental roll places tax changes into effect on the date of transfer or a new construction completion date, rather than waiting for the next lien date, requiring the levying of additional tax for a portion of the current fiscal year.
- The Unitary roll contains properties, such as railroads and utilities, whose value is determined by the State Board of Equalization, not the County Assessor.
- The assessment appeals process allows a taxpayer to dispute values through administrative and judicial processes.
- A Proposition 8 reduction is a form of assessment relief that may be applied when a property's taxable value exceeds the current market value.

The leading indicators of assessed value (AV) growth are the property transfer tax followed by the supplemental property tax growth rates. With the reduction in the growth rates of both these taxes, it is likely that the growth rates of assessed values will not experience increases for the next couple of years.

County AV Growth vs. General Fund Property Transfer Tax (PTT) & Supplemental Taxes



For more information on the assessment process visit the Assessor's Website at:
www.slocounty.ca.gov/assessor.htm

Auditor-Controller Prepares Tax Roll

Once the assessed valuation is determined and enrolled by the Assessor, it is delivered to the Auditor-Controller on or before July 1st each year. The tax roll is then prepared by the Auditor-Controller by multiplying the value of each parcel by the 1% tax rate plus the amount necessary to make annual payments on bonds or other indebtedness approved by the voters to finance local facilities. The majority of outstanding bonds in the County are for school facilities.

5-Year Total Tax Levy	
Fiscal Year	Amount
2006-07	393,061,526
2007-08	430,278,634
2008-09	452,550,523
2009-10	451,357,808
2010-11	447,373,098

In addition to the taxes noted above, numerous direct charges approved by voters or permitted by legislation, are added to the tax roll. Examples include charges for sewer, flood control and street lighting. The total calculated liability for each parcel is provided to the Tax Collector by September 30.

2010-11 Tax Bill Calculations	
Secured Value	\$38,955,380,217
Unsecured Value (w/Air)	1,117,382,079
Unitary Value	2,861,786,889
Exemptions	(929,072,298)
Net Taxable Values	\$42,005,476,887
1% Basic Tax Rate	X 1%
Property Tax	\$420,054,769
Bonds	15,290,665
Direct Charges	12,027,665
Total Tax Levy	\$447,373,098

Until three decades ago, local agencies and school districts could ask local voters for an increase in property taxes to support their programs and pass such measures by a majority vote. Proposition 13 constrained this ability in 1978 by requiring a two-thirds majority vote of the electorate.

A 1986 voter-approved amendment to Proposition 13 (ACA 17) permitted agencies and districts to seek approval of local general obligation bonds to be repaid through property taxes. In the November 2000 election, voters approved Proposition 39 allowing the voting threshold for school general obligation bonds to be lowered to 55% if the school board so chooses.

As of 1984, agencies and districts with new residential and commercial development in their boundaries could, with two-thirds majority vote of the affected property owners, form a special "Mello-Roos Community Facilities District" to build new facilities in the area. Then in 1998, a new law permitted the formation of School Facility Improvement Districts with a two-thirds vote. This threshold was lowered (with some requirements) to 55% in July 2001.

Once approved, one or any combination of these types of voter approved debt may appear on your tax bill.

San Luis Obispo County School District General Obligation Bonds				
District/Election	Debt Authorized by Voters	Bonds Issued		2010-2011
		Amount of Issues	Principal Balance as of 6/30/2010	Taxes per \$100K Assessed Value
Lucia Mar Unified	\$ 45,350,000	\$ 45,350,000	\$ 38,826,899	\$ 29.14
Cayucos Unified	7,850,000	7,850,000	7,5996,492	44.04
Shandon Unified	1,200,000	1,085,000	654,100	3.07
San Miguel Elementary	3,850,000	3,845,000	2,192,291	39.13
Coast Unified	16,300,000	16,300,000	14,809,510	32.96
Paso Robles Unified	20,000,000	20,000,000	19,664,998	11.90

Penalties for late payments are significant at 10% for the first installment delinquency, 10% plus \$10 for the second installment delinquency and an additional 1.5% per month beginning the following July 1. After 5 years of taxes being delinquent, property can be sold at a tax sale to pay the tax. In San Luis Obispo County, delinquency rates have been some of the lowest in the state.

Delinquent Secured Tax Payment History As of June 30th of Fiscal Year Due		
<u>Fiscal Year</u>	<u>Amount</u>	<u>Delq Rate</u>
2000-01	2,656,464	1.26%
2001-02	3,048,936	1.36%
2002-03	3,483,119	1.43%
2003-04	3,587,273	1.35%
2004-05	3,755,642	1.29%
2005-06	5,332,457	1.64%
2006-07	8,311,377	2.29%
2007-08	13,836,097	3.50%
2008-09	16,141,949	3.88%
2009-10	13,746,301	3.33%

Here is an example of a secured property tax bill. The "AV Tax Subtotal" is the sum of all the AV amounts (those with a tax rate). These amounts are calculated by multiplying the tax rate by the Net Property Value.

For example:
The State Water Project tax amount of \$18.90 is .00290% times the Net Property Value of \$652,181.

The total tax rate in each Tax Rate Area (007-005 for this bill) is the same for every parcel within that Tax Rate Area. The amounts below the "AV Tax Subtotal" are the direct charges unique to this parcel, which may vary or not be applicable to other parcels.

NET PROPERTY	FIRST INSTALLMENT	SECOND INSTALLMENT	TOTAL
652,181	4,223.75	4,223.75	8,447.50
VALUE	DUE DATE: 11/01/2010 DELINQUENT: 12/10/2010	DUE DATE: 02/01/2011 DELINQUENT: 04/11/2011	TAX DUE
ADDITIONAL PENALTIES ADDED AFTER JUNE 30TH			

Auditor-Controller Distributes Property Taxes

The Auditor-Controller is responsible for the apportionment and distribution of property taxes in accordance with specified formulas and procedures as explained on page 8. The information below shows the change in allocation from the prior to the current fiscal year and the corresponding percentage of growth. The growth trends of the various geographic regions of the county become apparent when comparing the wide variation in incremental growth percentage of the taxing agencies.

COUNTY OF SAN LUIS OBISPO SUMMARY OF INCREMENTAL GROWTH AND PROPERTY TAX ALLOCATION BY FUND

For Secured and Unsecured Property Taxes (Including Homeowners Subventions. Excluding Unitary & Aircraft)

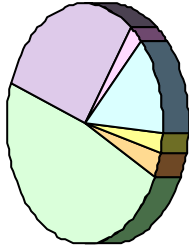
FISCAL YEAR 2010/2011

Fund	Agency Name	Prior Year Allocation Net of RDAs	Current Year Allocation Net of RDAs	Current Year Net Incremental Growth Amount	Current Year Net Incremental Growth %	MVLF Swap & Triple Flip (SB 1096)	Current Year Adjusted Allocation with VLF & SUT	Percent To Total Adjusted Allocation
COUNTY GENERAL FUND								
0001	GENERAL FUND	89,096,914	88,245,161	(851,753)	-0.96%	28,646,647	116,891,808	29.5829%
COUNTY BOS GOVERNED DISTRICTS								
0002	ROADS	1,149,481	1,137,983	(11,499)	-1.00%		1,137,983	0.2880%
0026	COUNTY LIBRARY	6,384,950	6,325,678	(59,272)	-0.93%		6,325,678	1.6009%
0643	SLO CO FLOOD CONTROL	965,338	955,836	(9,502)	-0.98%		955,836	0.2419%
0647	NACMENTO WTR SRV	1,049,818	1,039,490	(10,327)	-0.98%		1,039,490	0.2631%
0651	FLOOD CONTROL ZONE 1	55,395	55,200	(195)	-0.35%		55,200	0.0140%
0652	FLOOD CONTROL ZONE 1A	12,741	12,723	(17)	-0.14%		12,723	0.0032%
0654	FLOOD CONTROL ZONE 3	232,704	230,847	(1,857)	-0.80%		230,847	0.0584%
0662	FLOOD CONTROL ZONE 9	422,354	419,355	(2,999)	-0.71%		419,355	0.1061%
0675	CSA #10 ZONE A	49,444	49,036	(408)	-0.83%		49,036	0.0124%
0687	NIPOMO LIGHT	31,072	30,702	(371)	-1.19%		30,702	0.0078%
0694	CSA # 23(FORMER SM LGT)	19,450	19,045	(405)	-2.08%		19,045	0.0048%
0723	CSA #1	7,309	7,033	(275)	-3.77%		7,033	0.0018%
0724	CSA #1 ZONE A	31,033	29,161	(1,872)	-6.03%		29,161	0.0074%
0725	CSA #1 ZONE B	17,533	9,918	(7,615)	-43.43%		9,918	0.0025%
0726	CSA #1 ZONE C	6,470	6,362	(108)	-1.68%		6,362	0.0016%
0727	CSA #1 ZONE D	30,633	26,790	(3,843)	-12.55%		26,790	0.0068%
0741	CSA #7	52,600	47,772	(4,828)	-9.18%		47,772	0.0121%
0742	CSA #7 ZONE A	201,691	198,238	(3,453)	-1.71%		198,238	0.0502%
0743	CSA #7 ZONE B	49,684	36,431	(13,253)	-26.67%		36,431	0.0092%
0755	CSA #10	165,866	163,071	(2,795)	-1.69%		163,071	0.0413%
0761	CSA #12	15,896	16,240	544	3.47%		16,240	0.0041%
0773	CSA #16	28,197	24,696	(3,501)	-12.42%		24,696	0.0063%
TOTAL BOS GOVERNED DISTRICTS		10,979,459	10,841,607	-137,853	-1.26%	0	10,841,607	2.7438%
INCORPORATED CITIES								
0227	CITY OF ARROYO GRANDE	3,631,891	3,619,664	(12,228)	-0.34%	1,996,028	5,615,692	1.4212%
0229	CITY OF ATASCADERO	4,728,299	4,652,651	(75,648)	-1.60%	2,842,314	7,494,965	1.8968%
0231	CITY OF GROVER BEACH	1,722,284	1,687,113	(35,172)	-2.04%	1,229,058	2,916,171	0.7380%
0232	CITY OF MORRO BAY	2,294,330	2,286,160	(8,170)	-0.36%	1,184,082	3,470,242	0.8783%
0233	CITY OF PASO ROBLES	4,753,585	4,691,055	(62,531)	-1.32%	4,141,639	8,832,694	2.2354%
0234	CITY OF PISMO BEACH	3,054,017	3,036,360	(17,657)	-0.58%	1,296,427	4,332,787	1.0965%
0235	CITY OF SAN LUIS OBISPO	8,768,983	8,712,285	(56,698)	-0.65%	6,660,950	15,373,234	3.8907%
TOTAL INCORPORATED CITIES		28,953,390	28,685,287	(268,103)	-0.93%	19,350,498	48,035,785	12.1569%
REDEVELOPMENT AGENCIES								
0236	PASO ROBLES RDA	4,573,371	4,449,778	(123,593)	-2.70%		4,449,778	1.1262%
0237	FIVE CITIES RDA	1,191,623	1,216,117	24,494	2.06%		1,216,117	0.3078%
0238	GROVER BEACH RDA	1,197,672	1,141,787	(55,885)	-4.67%		1,141,787	0.2890%
0239	ARROYO GRANDE RDA	1,467,577	1,486,842	19,265	1.31%		1,486,842	0.3763%
0251	ATASCADERO RDA	3,639,756	3,342,412	(297,344)	-8.17%		3,342,412	0.8459%
0252	GBIE RDA	256,210	262,663	6,453	2.52%		262,663	0.0665%
TOTAL REDEVELOPMENT AGENCIES		12,326,209	11,899,599	(426,610)	-3.46%	0	11,899,599	3.0115%

The County's
General Fund
allocation is
\$116.9 million

Secured,
Unsecured
Property Taxes
and Homeowner
Subventions are
expected to
generate \$395
million for fiscal
year 2010-2011

Allocation of your property taxes



COUNTY GENERAL FUND	29.5623%
COUNTY BGS GOVERNED DISTRICTS	2.7438%
INCORPORATED CITIES	12.1569%
REDEVELOPMENT AGENCIES	3.0115%
INDEPENDENT SPECIAL DISTRICTS	3.1766%
SCHOOL DISTRICTS	49.3283%
	100.0000%

The net effect of the MVLF swap & Triple Flip is a \$48 million decrease in taxes allocated to the ERAF fund. (see page 8 for explanation)

Local school districts receive an allocation of \$194.9 million

Included in the allocation figures provided are \$3.4 million of Homeowner Subventions received from the State. Not included are \$30.7 million of Unitary & Aircraft taxes which are required to be distributed under different allocation formulas.

Fund	Agency Name	Prior Year Allocation Net of RDAs	Current Year Allocation Net of RDAs	Current Year Incremental Growth Amount	Current Year Incremental Growth %	MVLF Swap & Triple Flip (SB 1096)	Current Year Allocation Net of SB 1096	Percent To Total Allocation
INDEPENDENT SPECIAL DISTRICTS								
0007	AIR POLLUTION CONTROL	252,008	249,567	(2,442)	-0.97%		249,567	0.0632%
0166	GARDEN FARMS	25,721	25,289	(432)	-1.68%		25,289	0.0064%
0198	SM VLY WTR - BOND	37,423	36,945	(478)	-1.28%		36,945	0.0094%
0213	CAMBRIA COMM HEALTH CARE	425,828	416,352	(9,477)	-2.23%		416,352	0.1054%
0223	CAYUCOS SANITARY	592,973	584,085	(8,887)	-1.50%		584,085	0.1478%
0368	CACHUMA RESOURCE	5,192	5,216	24	0.46%		5,216	0.0013%
0473	PORT S L HARBOR	2,277,015	2,263,189	(13,825)	-0.61%		2,263,189	0.5728%
0474	CA VALLEY COM SER	86,627	80,607	(6,020)	-6.95%		80,607	0.0204%
0475	NIPOMO COMM SERVS	495,761	486,211	(9,550)	-1.93%		486,211	0.1231%
0476	CAMBRIA COMM SER	1,920,621	1,876,644	(43,977)	-2.29%		1,876,644	0.4749%
0477	SS ACRES COMM SER	71,371	68,793	(2,578)	-3.61%		68,793	0.0174%
0478	TMPLTN COMM SER	878,935	869,490	(9,445)	-1.07%		869,490	0.2201%
0480	NIPOMO SWR MAINT	13,979	13,395	(584)	-4.18%		13,395	0.0034%
0481	NIPOMO DRAIN MAIN	13,979	13,395	(584)	-4.18%		13,395	0.0034%
0483	LINNE COMM SER	18,492	18,374	(118)	-0.64%		18,374	0.0047%
0528	GC STR LIGHT # 1	447,541	437,764	(9,777)	-2.18%		437,764	0.1108%
0693	SAN MIGUEL LIGHT	77,002	73,218	(3,784)	-4.91%		73,218	0.0185%
0747	LOS OSOS CSD-ZONE A	185,157	182,591	(2,566)	-1.39%		182,591	0.0462%
0748	LOS OSOS CSD-ZONE B	1,599,672	1,579,070	(20,603)	-1.29%		1,579,070	0.3996%
0750	LOS OSOS CSD-ZONE D	17,453	17,544	91	0.52%		17,544	0.0044%
0752	LOS OSOS CSD-ZONE F	6,630	6,717	87	1.32%		6,717	0.0017%
0781	HERITAGE CSD	246,862	236,922	(9,941)	-4.03%		236,922	0.0600%
0803	SAN MIGUEL SANITARY	44,732	41,805	(2,927)	-6.54%		41,805	0.0106%
0811	OCEANO COMM SER	796,222	782,324	(13,898)	-1.75%		782,324	0.1980%
0825	CAYUCOS FIRE	211,916	208,828	(3,088)	-1.46%		208,828	0.0529%
0827	SAN MIGUEL FIRE	233,962	223,211	(10,751)	-4.60%		223,211	0.0565%
0831	SANTA MARGARITA FIRE	84,031	82,425	(1,607)	-1.91%		82,425	0.0209%
0837	ARROYO GR CEMETERY	98,150	97,691	(458)	-0.47%		97,691	0.0247%
0843	ATAS CEMETERY	272,534	268,676	(3,858)	-1.42%		268,676	0.0680%
0844	CAMBRIA CEMETERY	86,508	84,598	(1,910)	-2.21%		84,598	0.0214%
0845	CAYUCOS-MB CEMETERY	284,265	281,967	(2,318)	-0.82%		281,967	0.0714%
0847	PASO ROBLES CEMETERY	356,309	349,962	(6,347)	-1.78%		349,962	0.0886%
0851	SAN MIGUEL CEMETERY	69,414	66,540	(2,873)	-4.14%		66,540	0.0168%
0852	SANTA MARGARITA CEMETERY	29,155	29,279	124	0.43%		29,279	0.0074%
0853	SHANDON CEMETERY	13,260	12,802	(457)	-3.45%		12,802	0.0032%
0854	TEMPLETON CEMETERY	89,423	90,209	786	0.88%		90,209	0.0228%
0895	AVILA BEACH CSD	197,618	197,645	28	0.01%		197,645	0.0500%
0896	AVILA CO WTR ID #1	192,466	192,509	43	0.02%		192,509	0.0487%
TOTAL INDEPENDENT SPECIAL DISTRICTS		12,756,226	12,551,847	-204,379	-1.60%	0	12,551,847	3.1766%
SCHOOL DISTRICTS								
1205	CAYUCOS ELEM	1,916,108	1,890,039	(26,069)	-1.36%		1,890,039	0.4783%
1211	CUYAMA JT UNIFIED	183,799	193,655	9,856	5.36%		193,655	0.0490%
1217	PLEASANT VALLEY ELEM	368,476	366,644	(1,832)	-0.50%		366,644	0.0928%
1221	SAN MIGUEL ELEM	1,824,449	1,749,253	(75,195)	-4.12%		1,749,253	0.4427%
1223	COAST UNIFIED	7,983,585	7,818,929	(164,656)	-2.06%		7,818,929	1.9788%
1225	PASO UNIFIED	26,496,736	26,200,943	(295,794)	-1.12%		26,200,943	6.6309%
1227	SANTA MARIA HIGH	998	988	(11)	-1.07%		988	0.0003%
1228	S MARIA/BONITA UNION	1,238	1,264	26	2.13%		1,264	0.0003%
1231	TEMPLETON UNIFIED	7,528,721	7,492,233	(36,488)	-0.48%		7,492,233	1.8961%
1234	S L COASTAL UNIFIED	48,161,550	47,899,745	(261,805)	-0.54%		47,899,745	12.1274%
1253	LUCIA MAR UNIFIED	42,300,885	41,918,887	(381,998)	-0.90%		41,918,887	10.6988%
1273	ATASCADERO UNIFIED	16,556,443	16,358,953	(197,490)	-1.19%		16,358,953	4.1401%
1293	SHANDON UNIFIED	1,019,560	990,401	(29,159)	-2.86%		990,401	0.2507%
1303	SLO CO COMM COLLEGE	26,760,485	26,501,078	(259,408)	-0.97%		26,501,078	6.7069%
1308	CO SCHOOL SERVICE	15,865,198	15,711,965	(153,233)	-0.97%		15,711,965	3.9764%
1309	A HANCOCK COMM COLLEGE	23,564	24,814	1,250	5.31%		24,814	0.0063%
0115	ERAF	48,284,922	47,789,582	(495,339)	-1.03%	(47,997,145)	(207,563)	-0.0525%
TOTAL SCHOOL DISTRICTS		245,276,717	242,909,373	(2,367,344)	-0.97%	(47,997,145)	194,912,228	49.3283%
COUNTYWIDE TOTALS		\$399,388,915	\$395,132,873	-\$4,256,042	-1.07%	\$0	\$395,132,873	100.0000%

Auditor-Controller Distributes Property Taxes

After collecting the property taxes, the Tax Collector forwards them to the Auditor-Controller for apportionment and distribution to all eligible jurisdictions within the County. The law requires the County Auditor-Controller to allocate the revenue in accordance with specified formulas and procedures.

AB8 (Assembly Bill 8 of 1979-80), with many subsequent amendments, governs the complicated tax allocation process. Each taxing jurisdiction (entity) was assigned a base amount of property tax determined by 1978-79 revenue. Each year the entity is then allocated an amount equal to the total received in the previous year plus a percentage of tax growth within the geographic tax area served by the entity. The law also provides for transfers of property tax revenue when boundary changes or transfer of service responsibilities occur and are referred to as jurisdictional changes.

Adding to the complex tax allocation process, legislation (SB1096) was enacted in fiscal year 2004-05 that permanently swaps Motor Vehicle License Fee revenue for Property Taxes (the "MVLFF Swap") and temporarily exchanges Sales Tax Revenues ("Triple Flip") for Property Taxes of the cities and county only. The *Triple Flip* expires when the State Deficit Bonds are retired in approximately 3-10 years. The legislation specifies that the property tax revenues necessary for the *MVLFF Swap* and *Triple Flip* are to be taken from the County Education Revenue Augmentation Fund (ERAF). For fiscal year 2010-11 the total *MVLFF Swap* was \$38.8 million and the *Triple Flip* was \$9.2 million of additional property taxes for cities and the county and a corresponding decrease of \$48 million in property tax revenue allocated to the County ERAF for schools.

For fiscal year 2010-11, overall County property tax growth is declining with the north county having a greater percentage of decline than the southern regions of the county. Countywide locally assessed property taxes decreased by \$4.26 million, representing a 1.07% loss from the prior fiscal year. Provided on the previous two pages is a summary of the change in percentages and taxes for the various local agencies that receive property tax revenue. As you will note, there are large fluctuations in growth percentages among agencies due to growth in the various geographic regions within the county.

County Financing Sources

State and Federal Revenue

State and federal revenue, at \$191.1 million, represents about 44% of the County's financing and is the single largest revenue source. For the most part, these funds are restricted as to use for the support of statutory programs and are not available for discretionary purposes.

Taxes

Property tax, sales tax, transient occupancy and other taxes generate \$145.1 million or 34% of the County's financing, with property tax being the single largest source of discretionary revenue available to the County.

Other Revenues

The remaining 22% of the County's revenues are comprised of various funding sources. Licenses, permits, fines and penalties make up about 3%, while revenues derived from billing of various County departments charging for their services represent another 8%, with the 11% balance being generated by interest earnings and miscellaneous court fines and penalties.

Summary of Estimated Revenue, Other Financing Sources and Transfers Fiscal Year ended 2009-2010			
Sources	Actual 2007-08	Budget 2008-09	Proposed 2009-10
Current Secured Property Tax	98,247,523	98,080,875	96,956,920
Current Unsecured Property Tax	2,545,771	2,570,748	2,335,132
Supplemental Property Tax	3,769,621	1,618,082	1,606,188
Other Tax	46,665,101	43,286,440	44,165,700
Total Taxes	151,228,016	145,556,145	145,063,940
Licenses/Permits, Fines/Penalties	13,987,226	13,643,482	13,389,936
Interest in Rental Revenues	3,431,546	1,280,740	1,407,499
State & Federal Revenues	189,889,502	193,905,963	191,105,988
Charges for Service	36,965,294	31,983,892	33,152,767
Other Revenue & Financing Sources	61,908,687	91,219,958	48,194,999
Total Sources	457,410,271	477,590,180	432,315,129

